





**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES****Condensed Consolidated Balance Sheets****(unaudited)**

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
	<b>amounts in millions</b>	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 588	681
Trade and other receivables, net	278	235
Short term marketable securities (note 4)	19	199
Deferred income tax assets	840	931
Other current assets	385	270
Total current assets	<u>2,110</u>	<u>2,316</u>
Investments in available-for-sale securities and other cost investments (note 5)	541	816
Investments in affiliates, accounted for using the equity method (note 6)	759	851
Property and equipment, at cost	2,443	2,215
Accumulated depreciation	(656)	(501)
	<u>1,787</u>	<u>1,714</u>
Intangible assets not subject to amortization (note 7):		
Goodwill	14,345	14,345
FCC licenses	8,600	8,600
Other	1,073	1,073
	<u>24,018</u>	<u>24,018</u>
Intangible assets subject to amortization, net (note 7)	1,112	1,166
Other assets, at cost, net of accumulated amortization	353	326
Total assets	<u>\$ 30,680</u>	<u>31,207</u>

(continued)

See accompanying notes to condensed consolidated financial statements.



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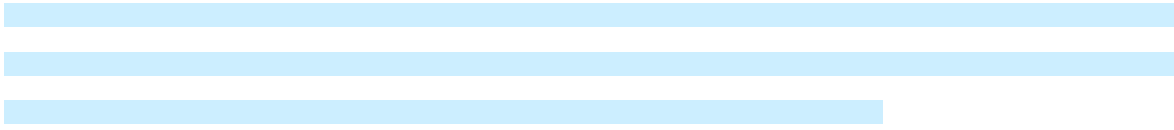
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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements Of Cash Flows**  
**(unaudited)**

	Nine months ended	
	September 30,	
	2015	2014
	amounts in millions	
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 159	265
<b>Adjustments to reconcile net earnings to net cash provided by operating activities:</b>		
Depreciation and amortization	272	272
Stock-based compensation	147	151
Excess tax benefit from stock-based compensation	(18)	(11)
Share of (earnings) loss of affiliates, net	8	53
Realized and unrealized (gains) losses on financial instruments, net	188	55
Losses (gains) on dilution of investment in affiliate	1	67
Deferred income tax expense (benefit)	98	9
Other, net	19	(16)
<b>Changes in operating assets and liabilities</b>		
Current and other assets	(141)	(72)
Payables and other liabilities	142	28
Net cash provided (used) by operating activities	<u>875</u>	<u>801</u>
<b>Cash flows from investing activities:</b>		
Investments in and loans to cost and equity investees	—	(169)
Cash proceeds from sale of investments	175	247
Cash (paid) for acquisitions, net of cash acquired	—	(47)
Proceeds (payments) on financial instruments, net	(88)	(30)
Capital expended for property and equipment	(176)	(153)
Purchases of short term investments and other marketable securities	(51)	(349)
Sales of short term investments and other marketable securities	231	68
Other investing activities, net	(40)	32
Net cash provided (used) by investing activities	<u>51</u>	<u>(401)</u>
<b>Cash flows from financing activities:</b>		
Borrowings of debt	1,779	2,218
Repayments of debt	(818)	(1,660)
Repurchases of Liberty common stock	(303)	—
Subsidiary shares repurchased by subsidiary	(1,648)	(1,650)
Excess tax benefit from stock-based compensation	18	11
Taxes paid in lieu of shares issued for stock-based compensation	(51)	(30)
Other financing activities, net	4	—
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>



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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements**

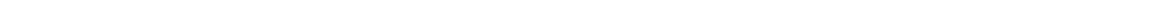
**(unaudited)**

**(1) Basis of Presentation**

The accompanying condensed consolidated financial statements include all the accounts of Liberty Media Corporation and its controlled subsidiaries (formerly named Liberty Spinco, Inc.) ("Liberty" or the "Company" unless the context otherwise requires). All significant intercompany accounts and transactions have been eliminated.

Liberty, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries primarily in North America. The significant subsidiaries include Sirius XM Holdings Inc. ("SIRIUS XM") and the Atlanta National League Baseball Club, Inc. ("ANLBC"). Our significant investment accounted for under the equity method is Live Nation Entertainment, Inc. ("Live Nation").

The accompanying condensed consolidated financial statements



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

(unaudited)

consolidated balance sheets, the Company does not believe that the standards will significantly impact its financial statements and related disclosures.

As a result of the Broadband Spin-Off (defined below) and repurchases of Series A common stock, the Company's additional paid-in capital balance was in a deficit position as of September 30, 2015. In order to maintain a zero balance in the additional paid-in capital account, we reclassified the amount of the deficit (\$399 million) to retained earnings as of September 30, 2015.

Liberty holds investments that are accounted for using the equity method. Liberty does not control the decision making process or business management practices of these affiliates. Accordingly, Liberty relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, Liberty relies on audit reports that are provided by the affiliates' independent auditors on the financial statements of such affiliates. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliates that would have a material effect on Liberty's condensed consolidated financial statements.

During 2014, Liberty's board approved the issuance of shares of its Series C common stock to holders of its Series A and Series B common stock, effected by means of a dividend. On July 23, 2014, holders of Series A and Series B common stock as of 5:00 p.m., New York City time, on July 7, 2014, the record date for the dividend, received a dividend of two shares of Series C common stock for each share of Series A or Series B common stock held by them as of the record date. The impact of the Series C common stock issuance has been reflected retroactively due to the treatment of the dividend as a stock split for accounting purposes.

On November 4, 2014, Liberty completed the spin-off to its stockholders common stock of a newly formed company called Liberty Broadband to the holders of Liberty Broadband (the "Broadband Spin-Off"). Shares of Liberty Broadband were distributed to the shareholders of Liberty as of a record date of 5:00 p.m., New York City time, for October 29, 2014. Liberty Broadband is comprised of, among other things, (i) Liberty's former ex-Broadband (b) New York

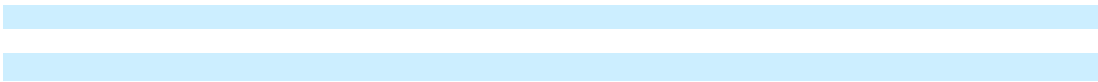
Common stock







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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

Liberty's assets and liabilities measured at fair value are as follows:

Table with columns: Fair Value Measurements at September 30, 2015 (Quoted prices in active markets, Significant) and Fair Value Measurements at December 31, 2014 (Quoted prices in active markets, Significant). The table contains several rows of data, many of which are redacted with light blue bars.









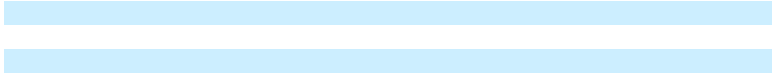




**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(unaudited)**

three-month LIB

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(unaudited)**

expenditures. Additionally, SIRIUS XM's Credit Facility, ANLBC's Term Loan and other borrowings contain certain non-financial covenants. The Company, SIRIUS XM and ANLBC are in compliance with all debt covenants.

**Fair Value of Debt**

The fair value, based on quoted market prices of the same instruments but not considered to be active markets (Level 2), of SIRIUS XM's publicly traded debt securities, not reported at fair value, are as follows (amounts in millions):

	<b>September 30, 2015</b>
SIRIUS XM 5.875% Senior Notes due 2020	\$ 665
SIRIUS XM 5.75% Senior Notes due 2021	\$ 605
SIRIUS XM 5.25% Senior Secured Notes due 2022	\$ 414
SIRIUS XM 4.25% Senior Notes due 2020	\$ 495
SIRIUS XM 4.625% Senior Notes due 2023	\$ 470
SIRIUS XM 6% Senior Notes due 2024	\$ 1,509
SIRIUS XM 5.375% Senior Notes due 2025	\$ 956

Due to the variable rate nature of the Credit Facility, margin loans and other debt the Company believes that the carrying amount approximates fair value at September 30, 2015.

**(9) Commitments and Contingencies**

**Guarantees**

In connection with agreements for the sale of assets by the Company or its subsidiaries, the Company may retain liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation and employment matters. The Company generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification may vary by agreement and may include, but are not limited to, the following:





**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

**(unaudited)**

and Pandora Media, Inc., No.2:33-av-00001 (D.N.J.) and Arthur and Barbara Sheridan v. Sirius XM Radio, Inc. and Pandora Media, Inc., No. 1:15-cv-09236 (E.D. Ill.) (collectively, the “Sheridan cases”). Each of the three Flo & Eddie Cases are in different procedural postures: a class has been certified in the case pending in the Central District of California and summary judgment on liability was granted to the plaintiffs. SIRIUS XM has filed a motion seeking interlocutory appeal of those decisions. SIRIUS XM was granted summary judgment in the case pending in the Southern District of Florida and the plaintiffs have filed a notice to appeal that decision, and in the case pending in the Southern District of New York.

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES****Notes to Condensed Consolidated Financial Statements (Continued)****(unaudited)**

such, there can be no assurance that the final outcome of these matters will not materially and adversely affect the business, financial condition, results of operations, or cash flows.

**(10) Information About Liberty's Operating Segments**

The Company, through its ownership interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries. The Company identifies its reportable segments as (A) those consolidated subsidiaries that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of the Company's annual pre-tax earnings.

The Company evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue and Adjusted OIBDA. In addition, the Company reviews nonfinancial measures such as subscriber growth, churn and penetration.

The Company defines Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses excluding all stock-based compensation. The Company believes this measure is an important indicator of the operational strength and performance of its businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

For the nine months ended September 30, 2015, the Company has identified SIRIUS XM as its reportable segment. SIRIUS XM is a consolidated subsidiary that provides a subscription based satellite radio service. SIRIUS XM broadcasts music, sports, entertainment, comedy, talk, news, traffic and weather channels as well as infotainment services in the United States on a subscription fee basis through its two proprietary satellite radio systems - the Sirius system and the XM system. Subscribers can also receive music and other channels, plus features such as SiriusXM On Demand and MySXM, over SIRIUS XM's Internet radio service, including through applications for mobile devices.

The Company's segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, differing revenue sources and marketing strategies. The accounting policies of the segments are the same as those described in the Company's summary of significant policies in the Company's annual financial statements filed on Form 10-K.

**Performance Measures**

	Three months ended September 30,			
	2015		2014	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions			
SIRIUS XM	\$ 1,164	450	1,047	381
Corporate and other	120	23	137	11
	<u>\$ 1,284</u>	<u>473</u>	<u>1,184</u>	<u>392</u>



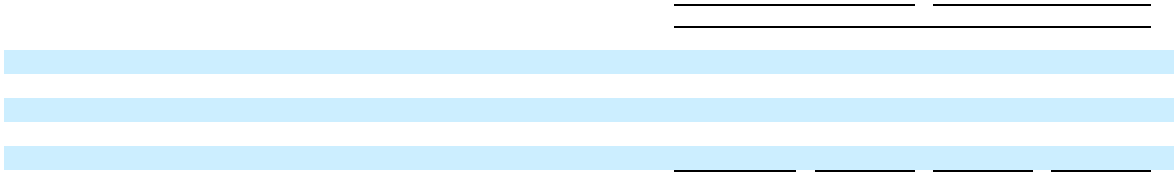
**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, prozsaforborb of B&A prozs

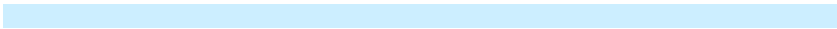




















7%, respectively, as compared to the corresponding periods in the prior year. Increased costs related to a larger number of satellite radio installations in new vehicles were partially offset by improved OEM and chipset subsidy rates per vehicle.

*Other operating expense* includes engineering, design and development costs. For the three and nine months ended September 30, 2015 other operating expense remained relatively flat and decreased 2%, respectively, as compared to the corresponding periods in the prior year. The decrease for the nine month period was driven primarily by lower personnel costs, partially offset by additional costs associated with streaming development.

*Selling, general and administrative expense* includes costs of marketing, advertising, media and production, including promotional events and sponsorship, executive management, facilities costs, finance, legal, human resources, information technology and insurance costs. For the three and nine months ended September 30, 2015, selling, general and administrative expense decreased 1% and increased 2%, respectively, as compared to the corresponding periods in the prior year. The decrease for the three month period is primarily due to insurance recoveries during the current period. The increase for the nine month period is primarily due to higher personnel costs, the timing of certain OEM marketing campaigns and additional subscriber communications and retention programs associated with a greater number of subscribers and promotional trials, partially offset by lower litigation costs as well as lower legal fees and costs due to certain non-recurring transactions during the same period in the prior year.

*Legal settlement* is due to an expense of \$108 million recorded during June 2015 for the portion of the \$210 million Capitol Records lawsuit settlement related to SIRIUS XM's use of pre-1972 sound recordings for the periods prior to the Capitol Records lawsuit settlement during June 2015. The \$108 million expense is included in the Revenue share and royalties line item in the accompanying condensed consolidated financial statements for the nine months ended September 30, 2015 but has been excluded from Adjusted OIBDA for the corresponding period as this expense was not incurred.

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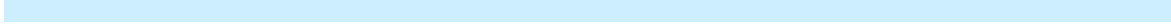


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We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used i þorro rat ~ 2

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Each of these cases is at varying stages:

- *Flo & Eddie California Case*. In September 2014, the United States District Court for the Central District of California ruled that California Civil Code Section 980(a), which provides that the owner of a pre-1972 recording has “exclusive ownership” therein, includes the exclusive right to control public performances of that recording. The Court granted Flo & Eddie’s motion for summary judgment on liability, holding that SIRIUS XM was liable for unfair competition, misappropriation, and conversion under California law for publicly performing Flo & Eddie’s pre-1972 recordings without authorization. SIRIUS XM intends to appeal that decision. In May 2015, the Court granted Flo & Eddie’s motion for class certification and certified a class of owners of pre-1972 recordings that have been performed and used by SIRIUS XM in California without authorization. SIRIUS XM is pursuing an appeal of that decision in the United States Court of Appeals for the Ninth Circuit.
- *Flo & Eddie New York Case*. In November 2014, the United States District Court for the Southern District of New York ruled that New York common law grants a public performance right to owners of pre-1972 recordings. The Court denied SIRIUS XM’s motion for summary judgment on liability. SIRIUS XM is appealing that decision in the United States Court of Appeals for the Second Circuit.

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**Item 6. Exhibits**

(a) Exhibits

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

- 3.1 Amended and Restated Bylaws of Liberty Media Corporation (incorporated by reference to Exhibit 3.1 to Liberty Media Corporation's Current Report on Form 8-K (File No. 001-35707) as filed on August 6, 2015).
- 31.1 Rule 13a-14(a)/15d-14(a) Certification\*
- 31.2 Rule 13a-14(a)/15d-14(a) Certification\*
- 32 Section 1350 Certification\*\*
- 101.INS XBRL Instance Document\*
- 101.SCH XBRL Taxonomy Extension Schema Document\*
- 101.CAL XBRL Taxonomy Calculation Linkbase Document\*
- 101.LAB XBRL Taxonomy Label Linkbase Document\*
- 101.PRE XBRL Taxonomy Presentation Linkbase Document\*
- 101.DEF XBRL Taxonomy Definition Document\*

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\* Filed herewith

\*\* Furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBERTY MEDIA CORPORATION

Date: November 4, 2015

By: /s/ GREGORY B. MAFFEI  
Gregory B. Maffei  
President and Chief Executive Officer

Date: November 4, 2015

By: /s/ CHRISTOPHER W. SHEAN  
Christopher W. Shean  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

**EXHIBIT INDEX**

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- 101.LAB XBRL Taxonomy Label Linkbase Document\*
- 101.PRE XBRL Taxonomy Presentation Linkbase Document\*
- 101.DEF XBRL Taxonomy Definition Document\*

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\* Filed herewith

\*\* Furnished herewith

## CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2015

/s/ GREGORY B. MAFFEI

Gregory B. Maffei  
President and Chief Executive Officer

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**CERTIFICATION**

I, Christopher W. Shean, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;
  2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
  3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
  4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
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**Certification**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Media Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

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